

BOBBY JINDAL
GOVERNOR



MILTON J. BAILEY
PRESIDENT

Louisiana Housing Finance Agency

**Full Board Meeting Minutes
Board of Commissioners
Louisiana Housing Finance Agency**

**Wednesday, February 9, 2011
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 p.m.**

Commissioners Present

Michael L. Airhart
Guy T. Williams
Donald B. Vallee
Katie Anderson
John N. Kennedy
Joseph M. Scontrino, III
Adena R. Boris
Neal P. Miller
Mayson H. Foster
Frank H. Thaxton, III
Jerome Boykin, Sr.

Commissioners Absent

Elsenia Young
Allison A. Jones
Tyrone A. Wilson

Staff Present

Barry E. Brooks
Milton Bailey
Alesia Wilkins-Braxton
Charlette Minor
Loretta Wallace
Rebekah Ward
Annie Clark
Roger Tijerino

Rene Landry
Mary Antoon
Jeff DeGraff
Marjorianna Willman
Terri Porche Ricks
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Others Present
See Sign-In Sheet

CALL TO ORDER

Vice-Chairman Michael L. Airhart called the meeting to order at 12:05pm. Board Coordinator Barry Brooks called the roll; there was a quorum. Due to time constraints, there was not an introduction of guests.

APPROVAL OF MINUTES

On a motion by Commissioner Donald B. Vallee, seconded by Commissioner Joseph M. Scontrino, III, the minutes of the Full Board Meeting held January 19, 2011, were approved. There being no further discussion or opposition, the motion passed unanimously.

CHAIRMAN'S REPORT

Vice-Chair Airhart informed everyone that Chairwoman Allison A. Jones would not be attending as she had encountered inclement weather enroute to the meeting. LHFA Vice-President Alesia Y. Wilkins-Braxton read verbatim into the record the Chairman's Report prepared by Chair Jones.

It was thereafter noted that VC Airhart would be serving as Chair of the meeting.

IC Airhart requested that the order of the agenda be altered so as to move Multifamily Rental Committee up for next discussion. There was no objection.

MULTIFAMILY RENTAL HOUSING COMMITTEE

Multi-Family Chair Guy T. Williams noted that the Committee had met earlier, had established a quorum, and that the first item to be discussed was a resolution regarding The Elysian, LLC Project, of which the Committee was recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution of intention to issue not exceeding Nine Million Dollars (\$9,000,000) Multifamily Housing Revenue Bonds (The Elysian, LLC Project, Spanish Town Road and North 13th Street, Baton Rouge, East Baton Rouge Parish) in one or more series to finance the acquisition, construction and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Garden Oaks Towers Project. Program Administrator Loretta Wallace briefly discussed the specifics of the matter. MFCC Williams noted that the matter had been discussed, that the Committee was recommending approval, and that he and staff were likewise recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution of intention to issue not exceeding Seven Million Three Hundred Fifty Thousand Dollars (\$7,350,000) Multifamily Housing Revenue Bonds (Garden Oaks Towers Project, 3200 Garden Oaks Drive, New Orleans, Orleans Parish, Louisiana) in one or more series to finance the acquisition, rehabilitation and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding 1501 Canal Apartments Project. Program Administrator Loretta Wallace briefly discussed the specifics of the matter. MFCC Williams noted that the matter had been discussed, that the Committee was recommending approval, and that he and staff were likewise recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution of intention to issue not exceeding Twenty-Two Million Dollars (\$22,000,000) Multifamily Housing Revenue Bonds (1501 Canal Apartments Project) in one or more series to finance the acquisition, rehabilitation and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding GHP-MLK. Program Manager Marjorianna briefly discussed the specifics of the matter. MFCC Williams noted that the matter had been

discussed, that the Committee was recommending approval, and that he and staff were likewise recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution authorizing the addition of seventeen thousand, nineteen dollars (\$17,019.00) in 4% Low Income Housing Tax Credits for a total reservation of three hundred ninety thousand dollars (\$390,000.00) of 4% Low Income Housing Tax Credits to GCHP-MLK, #2009-09BF (1931 Martin Luther King Jr. Blvd., New Orleans, Orleans Parish, Louisiana); and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding TCAP Expenditure Requirements. Program Manager Marjorianna briefly discussed the specifics of the matter. MFCC Williams noted that the matter had been discussed, that the Committee was recommending approval, and that he and staff were likewise recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Jerome Boykin, Sr., the resolution authorizing and directing staff to award tax credit assistance funds ("TCAP Funds") granted to the Louisiana Housing Finance Agency (the "Agency") that are returned and/or recaptured from prior awards;); and providing for other matters in connection with the foregoing, was adopted. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Notice of Future Point Reduction for Failure to Utilize Agency Resources. Program Manager Marjorianna briefly discussed the specifics of the matter. MFCC Williams noted that the matter had been discussed, that the Committee was recommending approval, and that he and staff were likewise recommending approval.

Commissioner Vallee noted that the matter had been amended to reflect a one-year extension.

Commissioner John Kennedy requested clarity of the resolution. MFCC Williams advised that there was a March 31st "close or lose" deadline, and that if they Agency is not informed thereof that the developer would stand to lose ten (10) points at the next funding round.

Mr. Vernon Martin was extended the floor by the Chair, and he addressed the BOC and requested a more proactive approach to help developers who encounter problems when they are unable to close.

Ms. Kelly Longwell addressed the BOC and noted that they had only gotten notice last week and did not support the matter.

Commissioner Katie Anderson noted that issue was double-sided and could be and pro for some and a disadvantage for others, but that she was in support of the resolution.

Ms. Charlotte Bourgeois addressed the BOC and suggested rewarding those who could close by the March 31st deadline, and that they were not supportive of the matter unless it was for one-year.

Further comments were made by the Commissioners and staff.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution authorizing and directing staff to assess a ten (10) point reduction on all Low Income Housing Tax Credit applications for the 2011 Funding Round for developers 1) not voluntarily returning GO Zone credits by March 1 2011 via written certified mail to the Agency, and 2) their failure to accomplish a verifiable financial closing (as demonstrated by a draw/disbursement) by March 31, 2011; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed, there was one NO Vote from Commissioner John N. Kennedy.

Next item discussed was the 2011 Low Income Housing Tax Credit Timeline, which was presented by Program Manager Marjorianna Willman. There was no action taken on the matter.

PRESIDENT'S REPORT

President Milton J. Bailey discussed only the 1-year PIS matter, which he stated was in the interest of time. He stated that no Exchange legislation had been passed by Congress but that continued discussions were being held. He further stated it was his understanding in particular that Senators Bacchus and Landrieu would be offering a piece of stand-alone legislation to extend the PIS for 2-years. He said he hoped to have more information during the March 2011 BOCM.

CHAIR'S REPORT (CONTINUED)

First item discussed was the resolution regarding the Timing and Manner for Agenda Items. IC Airhart deferred the matter to the President and Vice-President to explain thereof. Vice-President requested General Counsel Terri Ricks discuss the matter, which she did.

IC Airhart noted that the resolution would require relevant information to be provided seven (7) days in advance, including resolutions and any pertinent documents thereof.

There were further questions and statements made by Commissioners and GC Ricks regarding the former, current, and proposed specifics of the matter.

In response to a question by Commissioner Treasurer Kennedy, GC Ricks noted that the matter did have emergency provisions for last minute items needing BOC approval.

IC Airhart noted he supported the resolution.

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Donald B. Vallee, the resolution to replace the resolution that passed on February 11, 2009 regarding the same matter; a resolution regarding the timing and manner in which items may be added to the agenda for consideration before the Board of Commissioners; and providing for other matters in connection with the foregoing, was placed on the table. There being no further discussion, opposition, or public comments the matter passed unanimously.

ENERGY ASSISTANCE COMMITTEE

Energy Assistance Committee Chair Katie Anderson noted that the EAC had met earlier, that the Energy Programs Activity reports were in the Board binders, and that there was one action item.

There was a presentation on the Energy Programs by staff member Darlene Okammor and LACAP representative John Phelps. EACC Anderson also invited everyone to tour the LACAP training trailer in the parking lot.

The next item discussed was a resolution regarding Davis-Bacon Services.

EACC Anderson went over the specifics of the matter, noting that an RFP had been issued; that the resolution allows the President to make the decision of which route to take; noted price costs submitted were wide ranged; and if it was a hire it would be a temporary job appointment.

Commissioner Vallee noted he supports selection of the most qualified subcontractor.

Commissioner Neal P. Miller noted he could bring in a trainer to train in-house staff for free. EACC Anderson advised that staff is currently overwhelmed and does not have the expertise to handle the matter, and that she'd probably support selection of a contractor instead.

Commissioner Vallee offered a Substitute Motion, seconded by Commissioner Foster, to award the matter to a contractor.

There were continued discussions on the matter.

Commissioner Miller offered a Motion to Table the Substitute Motion offered by Commissioner Vallee, which was seconded by Commissioner Williams and Commissioner Boykin, to go back to the original resolution and put back the option for a temporary job appointment hire. The Motion to Table was voted on and passed unanimously.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Frank H. Thaxton, III, the resolution approving and authorizing the Agency to enter into a Professional Services Agreement for Davis Bacon Compliance Services for the ARRA

Louisiana Weatherization Assistance Program (hereinafter referred to as “ARRA WAP”) or, in the alternative, to hire a temporary employee to provide such services; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

LEGAL COMMITTEE

LC Chair Frank H. Thaxton, III, noted the Committee had met earlier and discussed parliamentary matter that had been referred to the Legal Committee regarding creation of a quorum and which commissioners can vote at committee meetings. He stated that after a lengthy discussion there were two matters of consensus. The first is that the proper current protocol is that only committee members make up a quorum of that committee and that committee members can vote, but that all commissioners may participate in discussions.

The second item of general consensus was that the committee wanted to make an attempt to preserve the practice of allowing interested commissioners to participate and vote or some variation of that practice to the extent allowed by law and the by-laws and to have legal counsel research what might be done to further that goal.

Commissioner Frank H. Thaxton, III made a motion to refer an inquiry to legal counsel as to what might be done via By-Laws or by rule to preserve the practice of allowing interested commissioners to participate and vote - or some variation of that practice, to be brought back to the Legal Committee for consideration. The motion was seconded by Commissioners Katie Anderson and Guy T. Williams.

The matter was further discussed. Commissioner Foster noted that the By-Laws require changes to the By-Laws to be presented the month before the change in the By-Laws would be voted on. He stated, therefore, he would like to have any recommended By-Laws changes to be presented in March so they could be voted on at the April meeting. Commissioner Vallee agreed only to the extent that there would be an Attorney General’s Opinion to support the recommendation. Commissioner Thaxton noted that the Attorney General’s Opinion would not be available that fast.

There was no further discussion, opposition, or public comments and the matter passed unanimously.

BUDGET AND FINANCE COMMITTEE

BFC Chair Mayson Foster noted that there had not been a meeting earlier, and that the March BOCM discussions would include projected revenue streams.

He also noted that the BOC could have Investment Reporting and Online Access, if requested.

ASSET MANAGEMENT COMMITTEE

Asset Management Committee Chair Donald Vallee noted that the committee had met earlier.

He reported first on Capital City South. AMC Chair Vallee noted that they had discussed the current status of the project, the fact that it's behind schedule, cost overruns, and various options as related to the additional eight (8) units.

He further reported that the committee had secondly discussed the REO Property matter. He noted that a recommendation had been made to the Budget and Finance Committee to write down the property from \$29K to \$7,500 and possibly write off the matter, which would come up at its next meeting.

He then mentioned that the committee discussed the Property Management RFP for Willowbrook Apartments and Village de Jardin. AMCC Vallee noted that the Vice-President would be putting together a timeline thereof for everyone to review.

He last reported that Willowbrook Apartments' occupancy rate was 87%.

SINGLE FAMILY COMMITTEE

Single Family Chair Scontrino noted that the Single Family Committee had met earlier and had established a quorum.

IC Airhart requested that he be involved in any and all future conference calls with the Finance Team going forward.

Next item discussed was the BOA Conversion. Program Manager Mary Antoon advised that the transition was going smoothly.

Next item discussed was the resolution regarding the Extension of the Call Date.

SFCC Scontrino went over the specifics of the matter. He noted that the Committee was recommending approval thereof.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson, the resolution approving and authorizing the extension of the call date on the Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds series 2010A for an additional three (3) months from March 1, 2011 until June 1, 2011; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter unanimously passed.

SPECIAL PROGRAMS COMMITTEE

IC Airhart noted that there was a Special Programs report on the agenda, but no committee meeting so no report was necessary.

OTHER BUSINESS

IC Airhart advised that HUD Special Advisor to the Secretary, Fred Tombar, would be participating in the BW Cooper and Lafitte discussion via teleconference.

There was a brief discussion by BOC and Bond Counsel Wayne Neveu on the role of HFA's to have financial advisors register with the SEC.

The BW Cooper and Lafitte discussions began with a presentation by Keith Key, with Mr. Tombar making introductory statements.

Mr. Tombar noted that HUD Secretary Donovan was fully committed to the matters, as noted in his recent visit; he discussed post-Katrina historical aspects of the developments and the status of the residents; noted that there was a goal to increase Gulf Coast housing as a specific item in the HUD Strategic Plan; that the goal was to restore all units as originally planned; and that they need the projects reprocessed.

Mr. Key went over the process in which their contingency plan would proceed; that they would be going from 1450 to 650 units on 55 acres with steel frame construction; that there would be twelve (12) different unit designs; there are currently 268 residents; he went over the various phases of the project, unit compositions, and discussed the PIS and closing dates and parameters; noted the anticipated timeline of March 31st closing, PIS of December 30, 2011, completion by December 30, 2012, and lease-up occupancy of March 2013; that there were currently 93 units in foundation, steel frames are onsite, 410 units' permits have been processed, public streets completed, Entergy doing electricity main, and that there were city water and sewer connections.

President Milton J. Bailey thanked Mr. Tombar and Mr. Key for their information. He also noted that the F & V reprocessing prerequisites had passed for both matters.

IC Airhart offered both the LHFA and BOC's commitment to the matter, and that a Special BOCM would be held on February 15th to further discuss the matters; and that there would also be discussions thereafter during the March visits to Washington, DC.

Commissioner Williams inquired as to if there is not extension would HUD commit for two (2) years or return the credits. Mr. Tombar replied affirmatively noting that HUD would fulfill its commitment, and would consider returning the credits if PIS cannot be accomplished.

There was thereafter a presentation by Matt Morin, Terry North, Jim Kelley, and Michelle Whetten on Lafitte.

Matt went over a Power Point presentation, noting the on-site and off-site development aspects of Lafitte; noted the current approved projects and the proposed unit mix of 812; and the proposed PIS completion timeline parameters. He also discussed the home ownership versus rental-units aspects, and the return of TAP and LIHTC options.

Ms. North advised they had a commitment from Goldman Sachs.

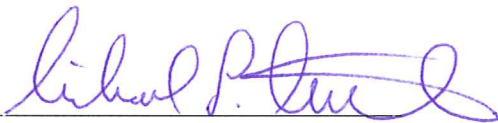
Ms. Whetten noted that Catholic Charities has services near the site, and that there were future plans for a head start.

Mr. Kelley noted there was \$3.3B in economic developments in the area, including the new Tulane Health Clinic, a new school one block away, access to public transportation, and that it would be a model development.

ADJOURNMENT

There being no other matters to discuss, Commissioner Neal P. Miller offered a motion for adjournment that was seconded by Commissioner Frank H. Thaxton, III. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 2:36 PM.



Chairman



Secretary